

PLANNED UNIT REDEVELOPMENT: UNIVERSITY VILLAGE

A CREATIVE PROJECT

SUBMITTED TO THE GRADUATE SCHOOL

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BY

JESSIE BOSHELL

DR. JOHN WEST-ADVISOR

BALL STATE UNIVERSITY

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Intro:

I did my undergraduate degree at Ball State University and after graduation continued my education in the Masters of Urban and Regional Planning program. One matter that hit close to home was the lack of entertainment and consumer options available in the University Village. Because the majority of entertainment and social options are for ages 21 and over after 9pm, underage students go home on the weekends instead of staying in Muncie. The following project proposal builds off of the existing Village Promenade and proposes the development of more mixed-use space that will have retail, restaurants, and apartments that are for all ages.

This type of development would create a chance for live, work, play for students who either commute to McGalliard Road for their jobs, or keep their job back home because there are no jobs available close to campus. The following planned unit redevelopment is designed as a Public-Private Partnership between Ball State University and a potential development firm. That way Ball State will have a stake in the project. With Ball State having a stake in the project, it will allow for them to increase the number of students attending while retaining students who without amenities transfer to Indiana University or Purdue University because there are more amenities in close relation to their respective campuses. The plan also outlines an estimate of how much the project would cost, and will include the feasibility of the project. The following proposal could be used as the first step in creating a connection between the downtown and the Ball State campus.

Methodology:

To complete this project qualitative and quantitative methodologies were employed. The data was collected using primary The primary sources used to collect data were interviews with influential citizens of Muncie and faculty at Ball State and through neighborhood analysis that is based on many hours of observation of the area and of the social scene. The secondary sources used to collect data for this project were written documents such as newspaper articles and previous historical records on the Village that were available through the Ball State Digital Repository. Other secondary sources used were real estate resources, county and city data, and journal articles. Quantitative data that was collected was turned into qualitative data to explain the benefits of Public-Private Partnerships, and how such partnerships can be used by Ball State University and the City of Muncie to redevelop the University Village.

Justification for Public-Private Partnerships:

What is a Public Private Partnership?:

To gain better understanding of what this project is proposing, it is crucial to understand the underlying financing tool that is recommended to complete the project. That financing tool is a Public-Private Partnership. A Public-Private Partnership (PPP or P3) is an association between a government agency and a private sector company. These types of partnerships are used to finance, build and operate large scale projects such as the proposed planned unit redevelopment of the Village. In the proposed plan Ball State University and the City of Muncie would be the public and government agencies that would partner with a private developer and investors to complete the project.

A Public-Private Partnership for this project would be beneficial because the financing and land purchase of the project would be broken down between the parties involved. Instead of full financing coming from Ball State or the City of Muncie, the capital needed for the project would be divided among the stakeholders. While the ownership of the project may not end with Ball State University or the City of Muncie owning the project, the day to day operations and the expenses associated with the operational budget would fall upon the private developer. While it may not seem like a good deal for Muncie or Ball State, it is a great opportunity because neither Ball State nor the City of Muncie will have to leverage extensive capital for the project. The project would also be beneficial because of the increase in the tax base that would be seen, the increase in jobs, and could be the first steps in revitalizing the City of Muncie.

Are Public-Private Partnerships beneficial for universities?

The following section discusses how Public-Private Partnerships have been employed by Universities to complete projects. This section is crucial in understanding why the financing method for the project was chosen, and understanding how each performance standard was met. The ultimate question that must be answered is whether or not Public-Private Partnerships are beneficial as a financing tool for universities to grow or is the financing method more beneficial to the private partner.

In the current economic climate, college and university populations are growing but campuses struggle to progress because of funding issues. Most state universities are allocated a certain percentage of their operational budget by the state annually, while private universities are funded entirely by endowments. This is problematic because private institutions receive more private donations, while public institutions receive a percentage of the overall education budget for the state they are located. To correct this issue of funding, many public state universities have

turned to public-private partnerships. In these joint agreements, the allocation of funds for universities has decreased because they are not having to spend as much of their operational budget on new construction and renovation.

This is an important problem for the planning profession, especially for facilities management and planning for four-year universities. As universities grow and are unable to accommodate the amount of housing for students they will be unable to grow as a university population wise, and will not be able to retain students because they will not have as much to offer as other universities.

In a past study conducted in the Netherlands researchers evaluated the relationship between Public-Private Partnerships and revitalization projects. Researchers used performance standards such as return on investment, profitability, how many players in the partnership, and how the partnership was formed to name a few of the performance criteria. (Nijkamp, Vander burch & Vindigni, 2002)

To determine whether public private partnerships are beneficial, this study employed the use of qualitative and quantitative data. The qualitative data was analyzed and manipulated to represent quantitative data. Qualitative data was gathered through the reading of journal articles, news articles, and financials to develop the variables this study tested. Each performance standard was then given an average score between 1-10. Performance scores were determined by how beneficial they were to the university or how beneficial it was to the private entity. Then the data was analyzed using the Chi-square method to determine if there is a correlation between public private partnerships and the success of developments of college campuses. The Chi-Square method was employed because of its ability to analyze distinct variables, and determine whether there is a correlation between the variables.

Table 1: Score Designation- The following chart represents the scoring criteria that was used to determine how each university matched each performance standard.

Score Designation	
Score 1-5	Not beneficial
Score 6-7	Meets needs, beneficial for private
Score 7-8	Meets needs of university
Score 8-9	Beneficial
Score 9-10	University benefits more than private

Scoring criteria: A score between 1-5, is considered not beneficial. This means that the Public-Private Partnership the investor/private entity benefits more from the arrangement than the university.

A score of 6-7, is considered to meet needs of the university, but is more beneficial to the private entity. This is determined by amount of jobs created, structure of debt service, and return on investment for the private entity. A score of 7-8 is considered as meeting the needs of the university. In this instance, the structure of debt and ownership is relatively 50-50, and the university is benefiting from the partnership.

A score that is between 8-10, is considered as criteria that benefits the University more than the private entity.

Data Collection:

Data for this study was collected from six (6) universities that are spread throughout the United States, with a strong focus on the Midwest. Those universities are Kent State University, UC Davis, The Ohio State University, Purdue University, Northern Kentucky University, and University of Kentucky. Of the variables in this study, public-private partnership is the independent variable and the performance standards are the dependent variables. Each university was analyzed and given a numeric value from 1-10 to determine the success of the public private partnership against 7 different performance standards. The performance standards were given a numeric value to determine whether the public private partnership benefited the university or the private partner.

Performance standards are as follows, and include a short description of how they were measured; investment, meaning how much of the project was funded by the university; increase in population on campus/ projection, meaning will there be an increase in the population on campus as a result of the proposed or finished project; job increase, how many jobs will/did/has the partnership created on campus and off campus; student retention, was there an increase in student retention as a result of the added amenities; added amenities, did the development add student housing, mixed use structures, entertainment options, and academic options; structure of ownership/ debt service, who makes the most money off of the project; and increase in student fees, as a result of the project was there an increase in student fees or did fees stay at the previous rate. Each of these performance standards are crucial criteria in determining whether the public-private partnership they entered was beneficial for the university or was more beneficial for the private developer.

Table 2: Variables

Independent Variable:	Definition	Source
Public-Private Partnership	Agreement between a public entity and private entity used to finance, build and operate projects.	Secondary
Dependent Variables:		
Investment	how much of the project was funded by the university	Secondary
Increase in Population on campus/area	will there be an increase in the population on campus as a result of the proposed or finished project	Secondary
Job increase	how many jobs will/did/has the partnership created on campus and off campus	Secondary
Student retention	was there an increase in student retention as a result of the added amenities	Secondary

Added amenities	did the development add student housing, mixed use structures, entertainment options, and academic options	Secondary
Structure of ownership/debt service	who makes the most money off of the project	Secondary
Increase in Student fees	as a result of the project was there an increase in student fees or did fees stay at the previous rate	Secondary

Note about variables: The data in Table 2 already existed discussing what type of development occurred, what type of investment happened, and followed the dependent variables. The data was then manipulated to create the definition of each performance standard and to meet the needs of this study.

Because each public-private partnership was set up differently, each university was measured differently but with the same standards. To understand how these standards were measured, it is important to understand the background information about each project.

Case Studies:

Kent State

The public-private partnership at Kent State University included a \$41.7 million-dollar investment by the school for a new architecture building, while there was a \$419 million investment made by private developers to help develop new student housing, mixed use developments, parking garage, gateways, and downtown amenities that are a part of the Kent State campus. The public-private partnership that Kent State entered has led to the creation of 300 full time jobs and the university has seen a 4% increase in student retention. While all of this is beneficial for the university, the structure of the ownership is not the most beneficial for the

university, who does not have ownership of any of the properties developed on the land on campus and surrounding area. (U.S. Department of Housing and Urban Development, 2013)

UC Davis

In the case of UC Davis in California, private developer West Village Community Partnership, LLC., came in and leased the land from UC Davis and built housing that was desperately needed for faculty and students. The overall investment by UC Davis was \$24.5 million, of which \$7.5 million was given to them by the state. The private investment of the property was \$200 million. UC Davis benefited most from the project, because they hold the rights to the lease and will be collecting payments for 65 years from the private developer. This partnership led to an increase in housing units, apartments, and single-family homes on campus and adjacent areas to increase the amount of space for 4,350 people, while creating 20 permanent jobs and 350 jobs during construction. (UC Davis, 2010)

Ohio State

The case study of Ohio State represents one of the best ways to develop a college campus. Ohio State needed funding to expand their campus and renovate buildings throughout the campus and to pay for this they formed a partnership with Queensland Investment Corporation. Ohio State leased 36,000 parking spaces to the company in return for an up-front fee of \$438 million dollars. The way in which the deal was structured allows for Ohio State to maintain ownership of the parking structures and surface parking spaces, while leasing them to Queensland Investment Corporation. Queensland Investment Corporation was given a 50-year lease, in which they can raise parking fees by 5.5% in the first 10 years of their lease, but must give back part of their profits to Ohio State annually. The reason Ohio State represents one of the

most beneficial ways to develop a college campus is because there was no investment or money paid out by Ohio State on the deal, instead they were given almost half a billion dollars up front so that they could continue to develop and renovate their campus. (Matthew,2013)

Purdue University

Purdue University represents a unique case study in terms of public-private partnership. In 2014, Purdue and the city of West Lafayette joined in a partnership to redevelop State Street to make it more cultural and to give more pedestrian access. (RESTATE Street, 2017) After this plan was approved Purdue was approached by Balfour Beatty Campus Solutions, a student housing development company, that wanted to build an 841-bed mixed use development on state street. The overall, expansion project for Purdue will cost \$1 billion over the next two decades, but the projects discussed here cost \$195 million dollars. Of that \$195 million both Purdue and the City of West Lafayette used TIF money to pay for the \$120 million portion of the project, while there was a private investment of \$75 million. Purdue does not own the facility that is being built, but they do own the land and have rights to the lease and will be paid annually by the developer. (Purdue University,2016)

Northern Kentucky University

Northern Kentucky University, is a growing institution and is a regional facility for jobs and education. Because of these factors the university needed to build a new health college facility and renovate the business center. The overall project cost \$105 million, of which Northern Kentucky University paid \$0 of. (Hansel,2015) Because of the excitement of this project, Northern Kentucky University has seen an increase in student retention by 6%, and 200-part time student jobs have been created to help with tuition assistance. (Hussein,2016)

University of Kentucky

The University of Kentucky began an ambitious project beginning in 2014 that when completed would cost a total of \$2 billion. The overall project aims to renovate and develop new student housing, develop new buildings for academics, and add more facilities and amenities for the students. By 2020, the university hopes to have added almost 9,000 beds on campus. To pay for this project the University of Kentucky has partnered with the state and private developers. Of the \$2 billion-dollar cost, the university will be paying 37% of the cost through debt financing, 37% from state funding and 26% from private investment. (Green, 2017) It may seem like 37% is a lot of money, which it is but the university is saving money because it is not responsible for 63% of the funding. While other colleges have not raised student fee rates, Kentucky will be raising student fees by 4.6% until 2025 to help pay off the debt service.

Quantified Results:

The descriptive statistics that are shown in table three (3) represent the summary statistics of each university after each university was measured against the seven (7) performance standards. Because each Public-Private Partnership is somewhat different, the universities that were missing up to three (3) of the performance standards, were still measured but only against the performance standards that they had. Of the six (6) universities, only one university is missing three (3) of the performance standards which is denoted by count in the table above. As we can see each university has an average mean of 8.18, after all performance standards were given the numeric value that was judged against strict criteria. An average mean of 8.18 represents the benefits of the Public-Private Partnership experienced by each university. Showing a strong correlation between the benefits of entering into such partnership.

Table 3: Descriptive Statistics

University	Kent State	UC Davis	Ohio State	Purdue	Northern Kentucky	Kentucky
Mean	8.14285714	7.333333333	8.75	8.857142857	9	7
Standard Error	1.22335548	1.452966315	1.25	0.594761714	0.377964473	0.755928946
Median	9	8.5	10	10	9	7
Mode	10	10	10	10	10	7
Standard Deviation	3.23669437	3.559026084	2.5	1.573591585	1	2
Sample Variance	10.4761905	12.66666667	6.25	2.476190476	1	4
Kurtosis	5.82480992	1.445152355	4	0.273372781	-2.6	-0.15
Skewness	-2.3668929	-1.327980093	-2	-1.114549779	0	-0.175
Range	9	9	5	4	2	6
Minimum	1	1	5	6	8	4
Maximum	10	10	10	10	10	10
Sum	57	44	35	62	63	49
Count	7	6	4	7	7	7

In table four (4) below, the initial data from each case study has been quantified and measured by the performance standards. Each standard is represented by the numerical value of how beneficial the partnership was to each university.

Table 4: Quantified Data

	<u>Performance Measures</u>						
<u>University</u>	Investment	Increase in population on campus/ area	Job Increase	Student retention	Added amenities	Structure of ownership/ debt service	Increase in student fees
Kent State	9	10	8	10	10	1	9
UC Davis	7	10	6	N/A	10	1	10
Ohio State	10	N/A	N/A	N/A	10	10	5
Purdue	10	10	8	10	8	6	10
Northern Kentucky	10	8	9	8	8	10	10
Kentucky	7	8	4	10	8	7	5

<u>Score Designation</u>	
Score 1-5	Not beneficial
Score 6-7	Meets needs, beneficial for private
Score 7-8	Meets needs of university
Score 8-9	Beneficial
Score 9-10	University benefits more than private

Table 5: Summary of performance standard averages for both public and private

Performance Standard	Public (University)	Private
Investment	9.238459902	7.594873
Increase in population on campus/projection	9.988513082	8.211487
Job increase	8.232291002	6.767709
Student retention first year target	5.213784301	4.286216
Added amenities	8.964050202	7.369283
Structure of ownership/debt structure	7.043182302	5.790151
Increase in student fees	8.653052542	7.113614

Table five (5) represents the summary statistics of the performance standards for both the university involved and the private partner. The data has been averaged for all six (6) projects to represent the projects as a whole. The data was averaged, so that the data could be analyzed more efficiently and show if there is a correlation between public-private partnerships and if they are beneficial to universities. From the raw data shown in table five (5), it can be hypothesized that the university does benefit more than the private party, other than in terms of structure of ownership/ debt structure.

The Case: University Village

Introduction:

University Village at Ball State University is an important cultural and social area for students of Ball State and holds cultural significance in the City of Muncie. The following project will discuss the University Village and what it has been and what it could be in the future. To further the University Village this project has been designed to be used as a catalyst to revitalize the once active and thriving Central business district. (Collier, 2015)

Each section included is crucial to understanding the urban fabric of the University Village and understanding the underlying factors that exist so that the project can be successfully implemented. Before a change can be proposed, it is necessary to have an understanding of current conditions and the history of the place so that best planning practices can occur.

History/Cultural Significance:

Before the University Village became an area in transition, it was a thriving Central Business District (CBD) in Muncie. In the 1950's and 1960's, the University Village thrived as a destination attracting residents to high quality retail establishments that lined University Avenue.

Not only was the area attractive because of the high-quality retail establishments, but the single-family homes that are located on the blocks surrounding the Village were occupied by professors of Ball State and doctors that worked at Ball Memorial Hospital. However, in the late 1960's and early 1970's the area began to decline. (Collier, 2015)



Source: Ball State Digital Media Repository, Photo taken estimated early 1960's

The decline of the University Village was a result of suburbanization. As Muncie began to build out, residents moved outward from the urban core out into the suburbs leaving behind single-family properties that have since been converted into multi-family housing with absentee landlords, which has led to unattractive conditions that turn off potential developers to build in the University Village.

The second phenomenon that led to the decline of University Village was the establishment of the Muncie Mall on McGalliard Road. Once the mall was constructed businesses left the village area to go to the mall, or went out of business because they could not compete with well

established businesses that were in the mall. Downtown Muncie also experienced the same decline. Businesses left downtown Muncie and set up shop at the mall or on McGalliard Road because that was where development and growth was happening. It did not help that during the 1970's -1980's the economic climate in Muncie was stagnant and declining, which led to many small business owners in Muncie to go out of business. (Collier, 2015)

In the late 1980's and early 1990's a \$1.5 million plan was proposed to create twelve (12) shops that would offer employment to over 100 Ball State students. However, the desired twelve (12) shops would never come to fruition; only having six (6) shops at its peak with a high turnover rate of tenants. (Jezior,2013) During this time there was a transition from family-oriented businesses into bars and nightclubs that were only attractive to college students, leading to an exclusion of Muncie natives that once had visited the University Village and saw it as a family outing. Because of a rise in rents and high turnover rates, the area began to decline aesthetically and became a haven of dive bars and clubs. (Collier, 2015)

In recent years the University Village has seen an increase in investment. The most recent investment was the development of the mixed- use Village Promenade that offers off campus housing for students along with retail space. While this development has been seen as a sign of revitalization by the City of Muncie and Ball State officials, there are problems associated with the development. The Village Promenade is overly expensive with residential units starting at around \$1100 a month, while the average apartment price in Muncie is \$634 a month, and retail space starts at around \$6000 per month or \$72,000 a year, which is \$32,000 more per year than the average retail space rental in downtown Muncie. (Loopnet, 2016) It is suggested by business owners in the Village area that the actual occupancy rate is inflated by the developer by about 20%, with an estimated vacancy rate of 40% in terms of apartment units and with only one

business surviving in the development with the remaining multiple store fronts empty.

(Roysdon,2017)



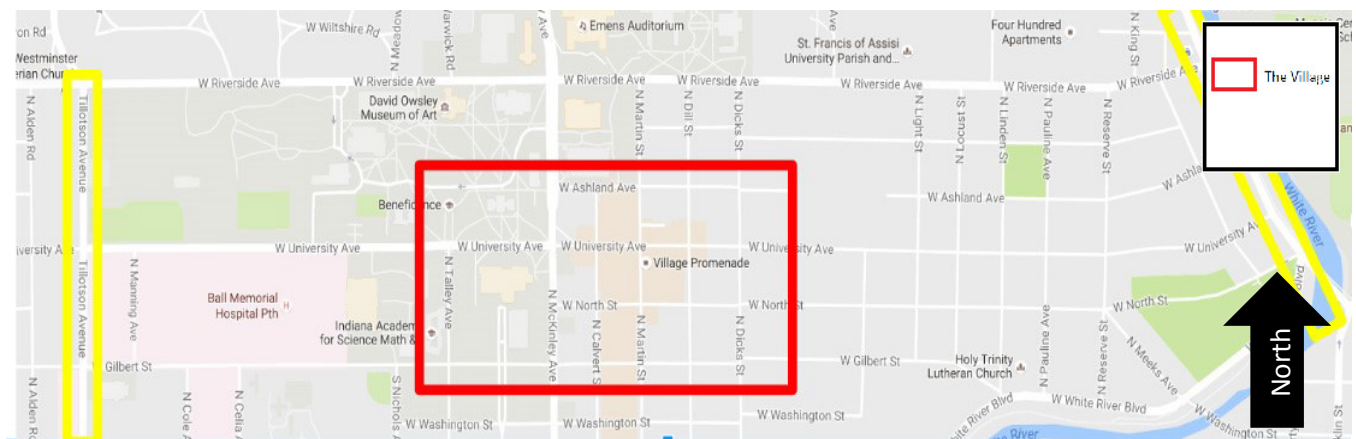
Source: Whittenberg Construction, 2015

Architectural Features of the Village:

Architecturally the buildings that line University Avenue in the University Village are built to the sidewalk and parking is to the rear of structures. This allows there to be a flow of pedestrians to walk by and see into the shops and dining options and make a choice of whether or not they are going to go inside. With the permeability of businesses and availability of outdoor seating, a connection is created between community and place.

Land use evaluation:

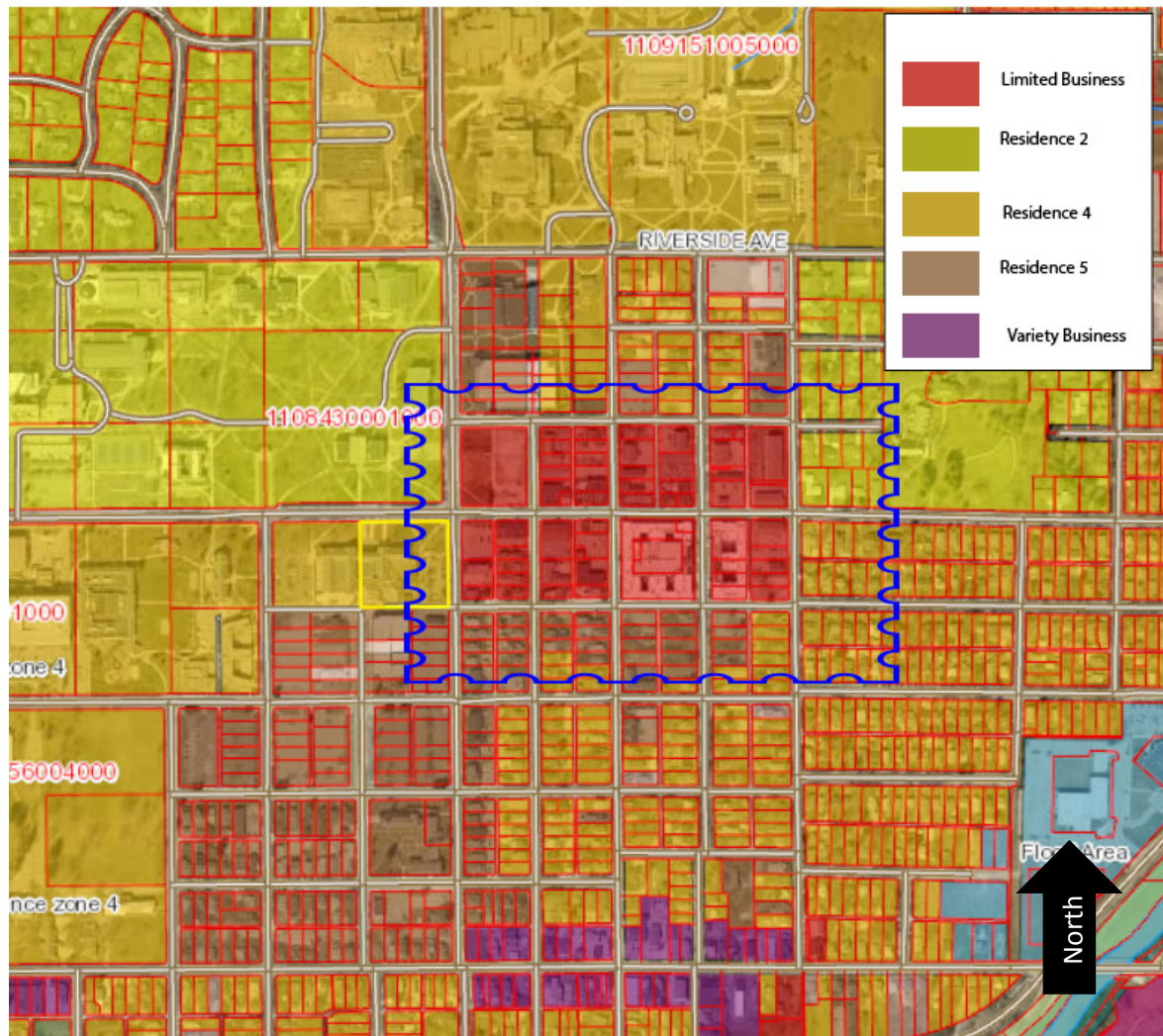
University Village is made up of multiple land uses, making it a mixed-use space. Those land uses are retail, multi-family residential, single family residential, commercial, and public facilities. While each land use is a part of the fabric of the University Village, there are some land uses that are more beneficial and essential than others.

Current Conditions:

Source: Google Maps, 2017



Source: Roger Conatser, 2005



Source: Beacon, 2017 (Village Outlined in Blue)

Existing Essential Land Uses:

The essential land uses of the University Village are the restaurants, bars and shops. These are essential land uses because the activity of these uses fosters community. Restaurants and bars are essential for fostering community because they offer a chance for people to come together to break bread and have intimate conversation, and they also allow people to meet new people who they would not have met without these establishments. Local shops are essential because they add to the local economy, increasing the economic viability of a settlement. (Sucher, 2003)

Ball State University, while not located in the University Village, is a contributing land use that continues to construct the culture and community of the area. Without the influence that is seen by Ball State in the University Village, the area would be a defunct segment of the urban environment in Muncie. Ball State contributes to the University Village by providing the population that frequents its establishments and that makes up the 24/7 population.

Overall, the most essential land uses that can be found in the University Village are the “cool retail” establishments. These establishments are bars, boutiques, coffee shops, book stores, and non-traditional restaurants. “Cool retail” is what is attractive to the millennial generation, which is the group that frequents and makes up the population of the University Village. Without “cool retail” establishments, the area would be empty and defunct because it would not be inviting. Currently there is a high vacancy rate of retail properties, however, that could change in the future with the right planning.

Accessibility:

University village is accessible through multiple types of transportation. Those modes of transportation are by automobile, bus, bicycle, or by walking. While the University Village was initially designed for automobile traffic, it has transitioned into a bike and pedestrian friendly area. With continuous sidewalks from Tillotson to Wheeling Avenue and access to major public facilities, the Village is convenient for pedestrians along the University Avenue corridor. On streets that run parallel to the University Village bike lanes have been installed to ease bike traffic into the urban core.

Transit wise, the University Village is accessible by buses that are provided by Ball State University, with stops less than a block from the start of the University Village at the corner of

Mckinley and University Avenue. The site is also accessible by the MITS buses that run throughout the city of Muncie.

SWOT Analysis Purpose and Rationale:

SWOT analysis is an effective tool in analyzing key elements that make up a community or organization. According to Jeffrey P. Harrison, SWOT analysis is the precursor to strategic planning for organizations and is crucial in understanding the strengths, weaknesses, opportunities, and threats of an organization or community. (Harrison, 2010) Using the SWOT analysis tool will allow for better strategic planning and brainstorming so that organizations and communities can best plan for the future.

The use of the SWOT method is best in determining the strengths, weaknesses, opportunities, and threats of an area because the use of SWOT analysis is straightforward and dependable because it helps determine the resources and capabilities of a community, so that it can maximize on those resources to be successful. Analyzing a community using the SWOT analysis tool, allows for the community to see the present state of things, what is holding the community back, how it can move forward, and what might cause the obstacles for the community. (Maina, 2013)

SWOT Analysis:

The following SWOT analysis evaluates University Village focusing on the strengths, weaknesses, opportunities, and threats of the University Village. Each section has been thoughtfully researched and examined, and represents the evident and underlying factors that make up the University Village. Data was collected through observation, secondary sources, and through communication with influential faculty of Ball State and other influential citizens of Muncie.

Strengths: A feature, institution, business, or quality that is beneficial/crucial to the well-being of an area.

- Large college population to occupy and frequent its uses- This is a strength for the University Village because without the college population to occupy and frequent the uses in the Village the area would be defunct.
- Large public facilities in the area: Ball State and Ball Memorial- Having large public facilities such as Ball State and Ball Memorial is a strength because it shows the area has the opportunity for growth, but also adds to the passerby trips that can generate more business in the Village.
- Historical in nature- before the University Village was a haven for students to go to unwind and forget about their troubles, the Village was a thriving CBD in Muncie that offered high quality retail and created a small business oriented CBD. This is a strength because of nostalgia. The happy memories that citizens of Muncie have in the Village can be a vital resource to redevelopment as people invest in things that are associated with good memories, and that they would like for future generations to enjoy even if there is some difference.
- Mixed uses- Retail, Single family and Multi-family residential. Being mixed-use is a strength for the University Village because it offers multiple uses that can attract a wide variety of consumers and businesses.
- Walkable.
- Access to public transit- both MITS and Ball State buses.
- Has potential to be a connection between Ball State and Downtown Muncie.

Weaknesses: A feature, quality or lack of resources that results in a disadvantage economically or socially.

- Disinvestment- While University Village is in a period of transition, it still is experiencing disinvestment due to the rise in retail and commercial space rents that have been increased as a result of the Village Promenade.
- High rents for residential and retail space

Area	Residential	Retail
Rest of Muncie	\$634	\$3000
The Village	\$1100	\$6000

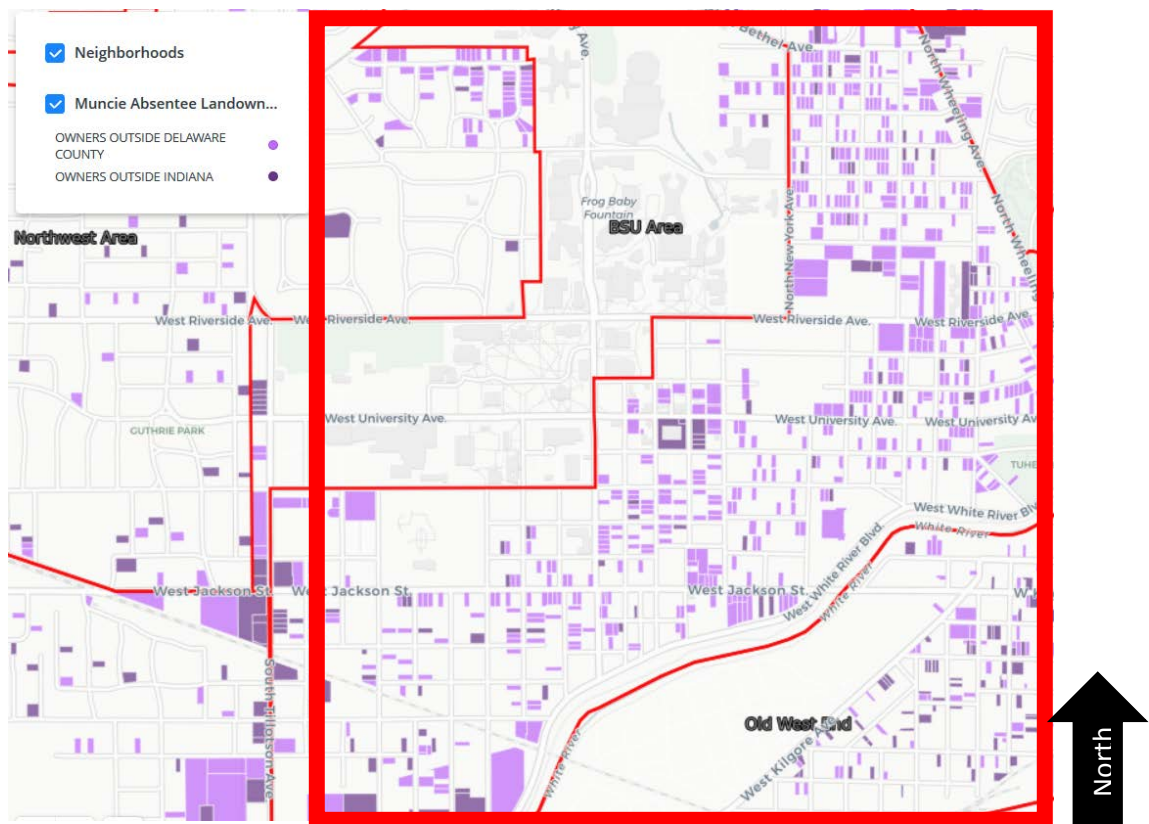
Source: Loopnet, 2017

- Age restrictions of entertainment- University Village primarily caters to the 21 and over crowd because most entertainment is alcohol oriented. This presents a problem because after 9 pm, the businesses cannot allow people under 21 to enter their premises, which excludes a large amount of the surrounding population. –

<u>Business</u>	<u>Hours of Operation</u>	<u>All ages after 9pm</u>	<u>21 and over after 9pm (or always)</u>
Brothers Bar and Grill	11am-3am		x
The Chug	6pm-3am		X
Scotty's Brewhouse	Sun-Tues 11am-11pm, Wed-Sat 11am-12am		X
Greek's Pizzeria	Sun-Thurs 11am-10pm, Fri-Sat 11am-12am	X	
Jimmy Johns	Sun-Wed 11am-1am, Thurs-Sat 11am-4am	X	
Pita Pit	Sun 10:30 am-12am, Mon-Wed 10:30am-2am, Thurs-Sat 10:30am-3am	X	
Be Here Now	Sun-Sat 8pm-2:45am		X
Two Cats Cafe	Sun 8:30am-8pm, Mon- Wed 8:30am-9pm Thurs-Sat 8:30am-1am	X	

- Absent residential landlords- properties are blighted and need improvements to make the area more attractive. However, landlords only do the minimum to stay up to code and charge college students a premium to live in the area because of proximity to Ball State. As can be seen in the map below most parcels/properties owned in the BSU area are owned by someone that either lives outside of Delaware County or out of the State of Indiana. The area in the rectangle with heavy line weight is the area of interest for this study.

Landlords by Location		
Outside Delaware County	28.37%	33.5%
Outside of Indiana	5.13%	
Inside of Delaware County	66.5%	66.5%

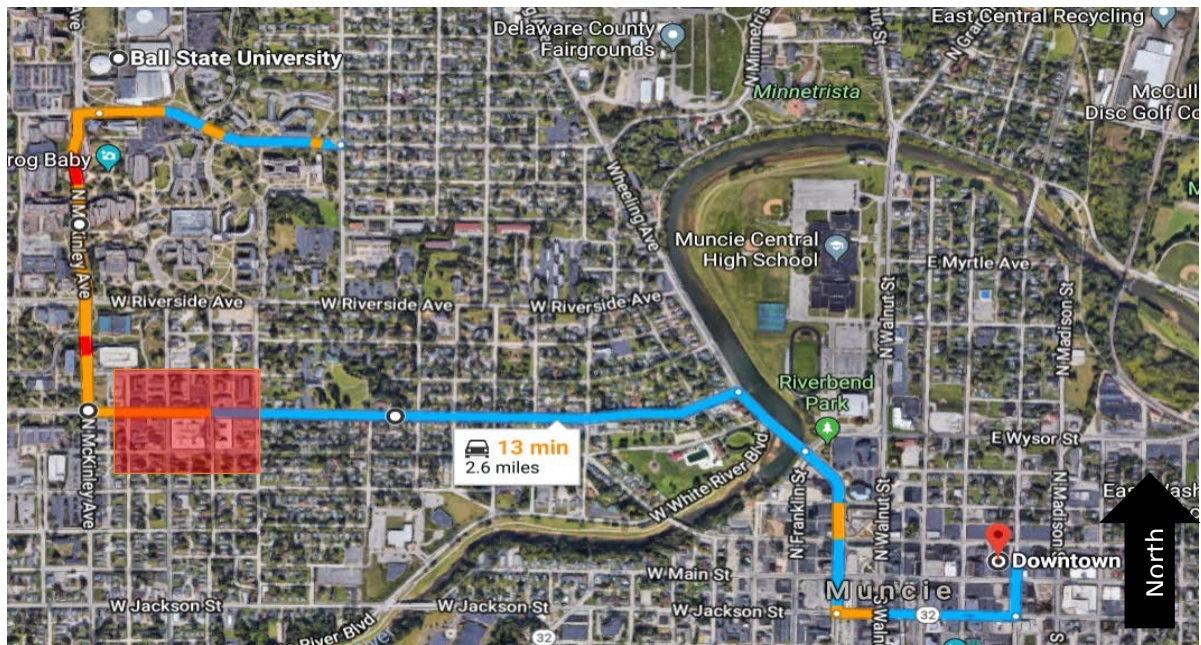


Source: Delaware County, Indiana 2017

- Does not attract Muncie natives- This area was once a destination for Muncie natives, however it is now only a destination for college students. This can be seen in the consumer offerings and through observation of those that frequent the establishments on University Avenue.

Opportunities: A circumstance that makes it possible to do something for the good of an area.

- Parcel on the corner of University Avenue and McKinley Avenue- The parcel of land that is on the corner of University and McKinley is owned by Ball State University. This parcel of land offers an opportunity for a public private partnership to occur to spur development/redevelopment in the village. If Ball State were to construct a mixed-use development on this site, it could lead to more investment and attract developers to the area to improve University Village.
- Connection between Ball State and Downtown Muncie- The corridor that University Village is located on could be a connection between Ball State and Downtown Muncie, creating a connection rather than a barrier. As can be seen from the map on the following page, The Village is the central point between Ball State and Downtown Muncie. As such it could serve as the connection between the two entities.



Source: Google Maps, 2017 (The Village outlined in Red Rectangle)

Threats: Trends or circumstances that may lead to further disinvestment.

- **McGalliard Road-** McGalliard Road continues to attract investment to the area, and has altered the economic core of Muncie. Because of the relatively cheap access to land and the growth that has been seen on McGalliard Road since the 1970's it is a threat to redevelopment/ development of University Village because University Village represents an area in transition that has experienced little growth in past decades.
- **Absent Landlords-** Absent landlords are a threat because as the surrounding properties decline, the less likely a developer will be interested in redeveloping or developing in the University Village, because blighted properties would result in a depreciation in the property value of any development, which does not attract developers who seek to make a handsome profit.

- The Village Promenade- While the Village Promenade has been the first true development in the University Village in decades it is a threat to the quality of place. There are two concerns with the Village Promenade those being that rental rates have skyrocketed in the University Village since the development was completed, which has led to small businesses to go out of business because they could no longer afford to pay their rent. Secondly, the development is mostly empty, there is a high vacancy rate for retail spaces, and the development is not at full capacity residential wise either. The development cost \$60 million and is not living up to its potential. (Roysdon,2017) Because of retail vacancy and the increase in rental rates the Village Promenade is a threat because it represents uncertainty for developers because they will not want to take the risk when a development that was finished two years ago cannot attract tenants to the area.

Proposed Plan:

The proposed plan is a mixed-use planned unit redevelopment. This will involve building off of the recent development of the Village Promenade. The proposed plan is to renovate the Village area to increase the size of each structure upwardly and bulk outwardly that will provide more options for living space and retail space.

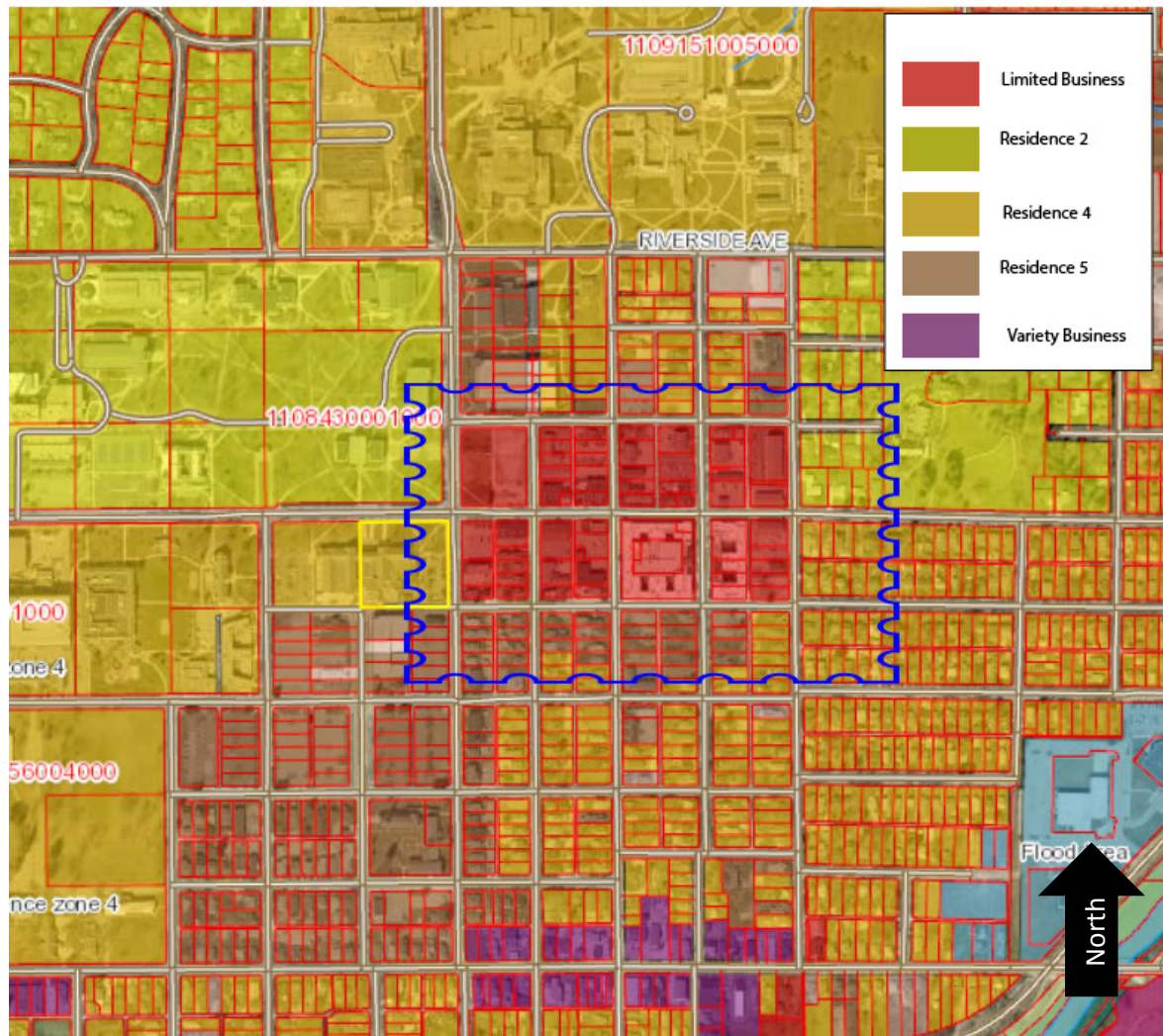
Along with the size increase, the proposed plan will offer 24/7 live, work, play option that will be accessible to college students of all ages. Currently the Village only offers entertainment for the 21 and over age group after 9pm. While students of all ages can go to the several restaurants before 9pm, after 9pm they are not allowed in unless they are over 21 because they become strictly bars. This creates an issue of accessibility and leads to exclusionary practices when most

freshmen and sophomore students cannot get into bars or restaurants that turn into bars after 9pm.

The idea behind this planned unit redevelopment is to revitalize the old central business district and offer more family and younger student friendly options so that the area can serve as an economic catalyst for the City of Muncie.

What is a Planned Unit Redevelopment?:

A Planned Unit Redevelopment (PUR) is a type of development and regulatory process that is used to group land uses and contain them into one development. The idea is to use the PUR so that land use designations can be assigned to specific lots, assigning what can be built on that lot. This allows for defunct areas with history and significance to experience growth and revitalization, without having to make the area one zoning designation. Currently, the University Village is zoned limited Business, with surrounding areas zoned residence zone 2, 4, and 5. However, the area has changed and redeveloping the area into a mixed-use development offers a chance to revitalize the area.



Source: Beacon, 2017 (Village outlined in Blue Square)

By completing a planned unit redevelopment, the City of Muncie and Ball State could use the area as a connection between the University and the city. Currently the relationship with Ball State University and the City of Muncie is a work in progress, but with the new presidential regime at the University, a working relationship is growing. This proposed plan offers a chance for town and gown to connect, instead of remaining separate entities.

Proposed Project Details:

The proposed project entails a mixed-use redevelopment of the village. In total, the proposed plan suggests building six (6) buildings that will be completed in five (5) phases. The initial phase will occur where the old Hyatt printing building was once located, and is land now owned by Ball State. Phase one will be the construction of the mixed-use hotel for Ball State University.



Source: Google Earth, 2017

In phase one the hotel will be four stories with a finished basement. The first floor will be for retail space, meeting space, and check-in for the hotel, while the second through fourth floors will be reserved for lodging and a restaurant on the fourth floor that will also offer roof top dining, while the basement will offer extra meeting space. The first stage is crucial because most, if not all, major universities have a hotel on their campus, and with the construction of a hotel at

the corner of McKinley and University Ball State will move into an elite group of universities with hotels on their campus.

Phase I:



Source: Google Earth, 2017



Source: Google Earth, 2017



Rendering: Jessie Boshell



Rendering: Jessie Boshell

Phase I Cost Break Down:

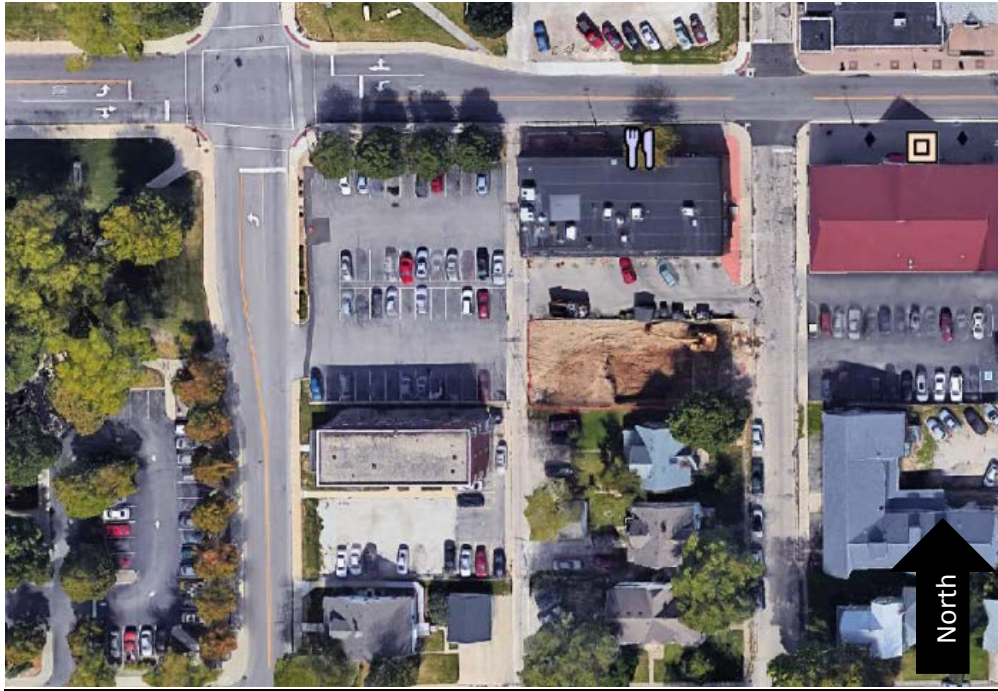
Phase I	
Land	\$0
Soft costs	\$2,669,470.01
Demolition	\$0
Construction	\$26,694,700
profit	\$5,338,939.82
<u>total</u>	<u>\$34,703,109.83</u>

Phase one is important because of the retail space that is offered on the first floor. As part of this plan phase one would include relocating TIS Bookstore, China Buffet, and Two Cats into the first floor. This would be offered so that phase two could begin construction. The second phase will be a mixed-use building that will be four stories with retail on the first floor, office space on the second and apartments on floors three and four. The first-floor retail would become home to the current National Guard recruiting center, Subway, Sunsations Tanning, Hotbox Pizza, and the Pita Pit. On the second floor, there would be an option for university offices to relocate to the Village. It would also offer an option for insurance offices, law offices, and other services to move into the Village marking the beginnings of recreating the central business district that once lined the streets of University Avenue.

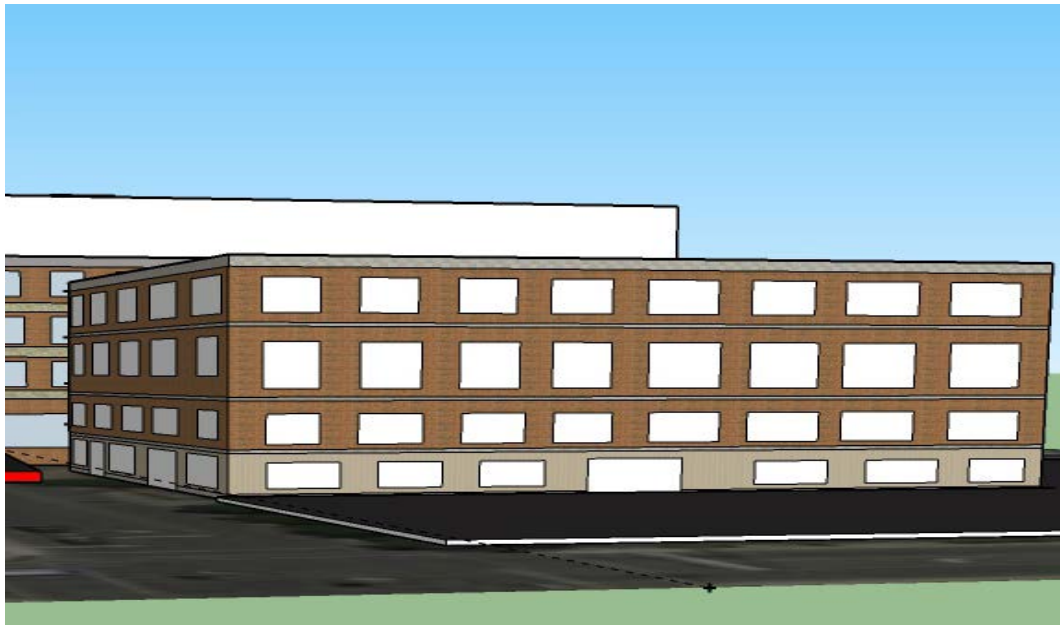
Phase II:



Source: Google Earth, 2017



Source: Google Earth, 2017



Rendering: Jessie Boshell

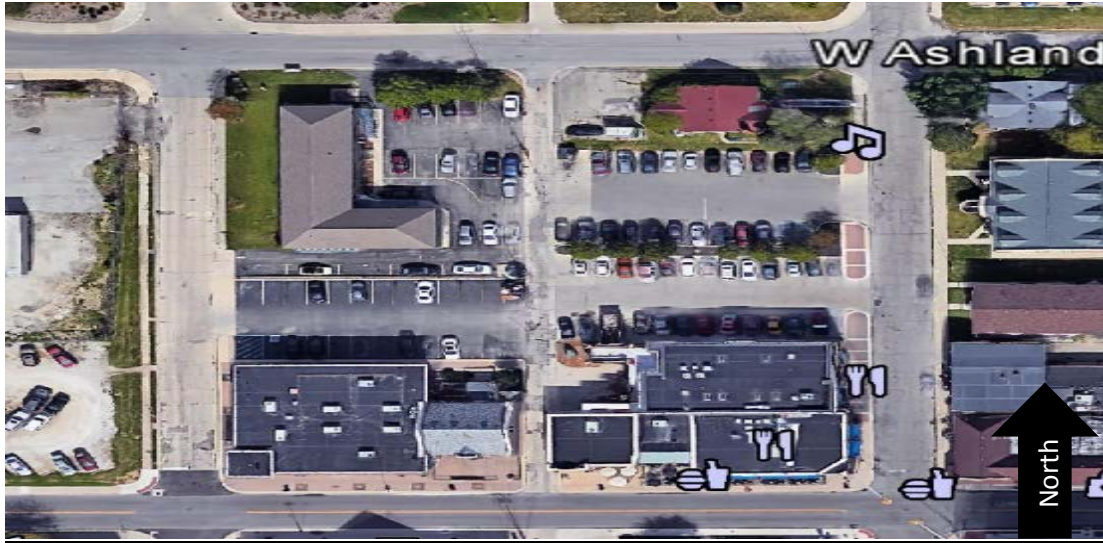
Phase II Cost Breakdown:

Phase II	
Land	\$1,139,200
Soft costs	\$472,582.07
Demolition	\$15,496.49
Construction	\$4,725,821.66
profit	\$945,164.33
total	\$7,298,265

The third phase of the project will be to construct a three-story building with a skylight roof to allow natural light in where the current building that once housed Dill Street Bar, Subway, Hotbox, Pita pit, and Sunsations tanning will be torn down and a three-story mixed-use building will be constructed. This will be completely reserved for retail space on all three floors. It will be designed to promote activity, and promote a sense of place. Once constructed, this structure will offer retail space that will be open to both University Avenue and to Riverside Avenue.

Phase III:

Source: Google Earth, 2017



Source: Google Earth, 2017



Rendering: Jessie Boshell



Rendering: Jessie Boshell

Phase III Cost Breakdown:

Phase III	
Land	\$1,437,300
Soft costs	\$1,036,906.41
Demolition	\$31,354.00
Construction	\$10,369,064.12
profit	\$2,073,812.82
total	\$14,948,437

Phase IV:



Source: Google Earth, 2017



Source: Google Earth, 2017



Rendering: Jessie Boshell (Existing structure in white/gray)



Rendering: Jessie Boshell (Existing structure in white/gray)

Phase IV Cost Breakdown:

Phase IV	
Land	\$1,356,500
Soft costs	\$1,338,707.60
Demolition	\$12,083.41
Construction	\$13,387,076.02
profit	\$2,677,415.20
total	\$18,771,782

The fourth phase of this project will incorporate infill development where the current TIS building and former bank are located. For this to happen both the former bank, now a leasing office, and TIS would have to relocate to one of the new retail/ office locations. This would then lead to the construction of a three-story L shaped building that would be located next to the Village Promenade, and would back up to the two-story structure that is home to the Ball State staple bar The Chug and businesses such as the Art Mart. Because of the cultural significance of this structure, it will remain as is, and will be built around adding to the character of the Village.

Phase V:



Source: Google Earth, 2017



Rendering: Jessie Boshell (Existing structure in gray)

Phase V Cost Breakdown:

Phase V	
Land	\$ 24,000.00
Soft costs	\$58,682.23
Demolition	\$0
Construction	\$586,822.31
profit	\$117,364.46
total	\$ 786,869.00

The fifth phase of the project will be to build two buildings next to the apartment complex next to the Village Pantry. These two buildings will serve as office/educational space for Ball State University. In particular, these two buildings will be reserved for first and second year Masters of Urban and regional Planning Students. They will offer studio space and space for seminar classes that will allow students to take the knowledge that they learn and use it in a real-world redevelopment scenario.

University Avenue is the gateway to downtown Muncie from Ball State University. As such shifting the importance of planning to the Village and to downtown Muncie; revitalization of the

historic central business districts in Muncie can begin. The hope is that this project will spur development in downtown Muncie, and will then lead to greater redevelopment of the surrounding neighborhoods that have suffered since the departure of GM, Ball Corporation, and Borg Warner.

As can be seen, the project entails tearing down buildings that line University Avenue that are closest to McKinley and Ball State University. These were chosen so that the size and bulk of the Village Promenade would not overshadow the Village, but would help create a new identity for the area, while maintaining the mixed-use CBD culture. The only structures remaining are those that are located at University and Dill Street. These structures will remain because of the influence they have on the community. The businesses currently located in this area offer village type activities such as outdoor seating, permeable glass, and frontage of the street that offers a sense of place and community. Also, these businesses are Ball State staples and are a part of the heritage and rite of passage of being a student at Ball State University.



Source: Ball State Digital Media Repository, 2017

Because redevelopment will be completed in phases, none of the businesses that are currently in the Village will be put out of business. Each business will be offered temporary or permanent tenancy in each of the buildings that are built. If the business selects temporary tenancy, the business will go back to the area it originated once the structure is completed. However, if the business selects permanent tenancy the open space in each phase will be used to attract new businesses that will provide entertainment and jobs that will be designated for Ball State students.

Development Costs:

The overall project as discussed will be broken down into five phases. Each phase having separate land use goals and development standards. However, each phase will have a built in contingency fee of 5% of the project, with a profit margin of 20% to help attract investors. The following chart shows how much each phase will cost including land purchase, demolition, construction, and other costs associated with redevelopment. Each building was calculated using median cost finishes, the only building that was calculated using high end finishes was Phase III. Cost estimates were generated through a third-party entity that provided the average cost of each associated cost and those averages were then calculated to give a total cost for each phase using a comparable city as its basis for analysis. (Building Journal, 2017) An image of the calculator can be found on the following page.

Type of Building

Project Location

Type of Work

Cost Index

Commercial Cost Estimate

Retail Store ▼

Indiana-Lafayette ▼

Lump Sum ▼

Median ▼

Square Feet 0.00

Subtotal

Overhead	10.00%
Profit	5.00%
Bonding	1.00%

Total Budget []

Per Square Foot []

☒

☒ By using this calculator you agree to our [terms and conditions](#)

Source: Building Journal, 2017

Complete Project:

	Cost
Phase I	\$34,703,109.83
Phase II	\$7,298,265
Phase III	\$14,948,437
Phase IV	\$18,771,782
Phase V	\$786,869.00
total	\$76,508,462.96

The overall project cost is \$76,508,462.96. To complete the project a public-private partnership would have to be formed between Ball State University, the City of Muncie, and an outside developer or group of developers. This would allow both Ball State and the City of Muncie to have a stake in the project, while not being the sole investors. With outside private investors,

more capital can be leveraged, which can lead to a more successful project for both the Village area and Muncie.

The idea behind this project is to create a redevelopment that offers affordable rents for both apartments and retail tenants. With a Public-Private Partnership and the phasing of the project, the overall cost for tenants can be less of those that are owned currently by the group that owns the Village Promenade. The development is designed to offer affordability, and to offer more activity for students and families of all ages that are in Muncie and in the Ball State area.

Conclusion and Closing Remarks:

As can be seen by the case study discussion and project proposal, a Public-Private Partnership to redevelop the University Village would be beneficial for both Ball State and the City of Muncie. While neither may have sole ownership of the proposed structures, the possibility for tax base increase, job increase, and housing stock is more beneficial in the long run than sole ownership.

Because most lots that will need to be purchased are owned by current property owners and developers in the Muncie area, this allows for there to be options of partners and those that can help redevelop the area. While the overall cost currently looks to be substantial, which it is, there is hope that the cost of each phase could go down with the help from those that own the properties currently and their cooperation to see the benefits of what the future could hold that could lead to great financial gains for those that own the land. These benefits could be to lease the land to developers or could be to make stipulations in the contract that the owner of the land receive a percentage of profits made to redevelop the land that they own.

Before this project can happen, several things need to happen. These matters have been discussed with influential members of both the City of Muncie and Faculty/Staff at Ball State University. First there needs to be consistency and longevity from the administration of Ball State University. In the past several years there have been a total of four presidents. Those presidents have been Joann Gora, Paul Ferguson, interim president Terry King, and now Geoffrey Mearns. Because of the inconsistencies, and differences in their visions; certain projects that could have been completed and put Ball State on the map have not been completed. For instance, phase I where a mixed-use hotel has been proposed, has been proposed as a hotel once before. However, with the turmoil of the administration the land was sodded over and remains an empty lot.

Secondly, there also needs to be more dialogue between the City of Muncie and Ball State University for there to be revitalization and for this project to be possible. The problem is that the City of Muncie is searching for its identity, while it does use a vital asset like Ball State, it does not take full advantage of having a well-established university when it should. The issue is between town and gown. For this proposal to ever be possible the barriers between the two needs to be taken down so that the two can work together. Both have influential members of their respective staffs saying they want to work together, but before there is a partnership, the barriers must be taken down and transparency must exist.

Students even notice the issues that exist in the University Village and between the City of Muncie and Ball State. In an interview with an undergrad student, the student discussed that before they turned 21 there was nothing to do in the Village on weekend nights after 9 pm, while businesses on McGalliard closed leaving younger students with nothing to do on the weekend other than to go home. The same student also discussed how they see Ball State, the Village, and

the neighborhood known as Riverside-Normal City as being a separate entity or city that exists within the city limits of Muncie, but is separate. This student went on to discuss how this area has a separate police force, has entertainment (for 21 and over) and housing, and the only places that students really have to go outside of the area is to Wal-Mart or Target for groceries or to the mall for clothing options.

The proposed plan offers a chance to revitalize the central business district that once existed in the Village. However, for this to be possible there will have to be a strong partnership between the City of Muncie, Ball State, and well-meaning developers so that Muncie can begin to see a change in the city and so that a strong connection can be formed between Ball State and the city so that downtown Muncie can begin to also experience growth and revitalization.

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